Investment Realization in the Fourth Quarter of 2019 Strengthen by 12%

Jakarta, 29th January 2020 – Indonesia Investment Coordinating Board (BKPM) announces the fourth quarter of investment realization data in 2019 (October-December) that reached Rp 208.3 trillion or equivalent to 12.0% increase compared to the same period in 2018. Furthermore, investment realization within this period created 330,539 labors and cumulatively generated 1,033,835 labors within whole 2019.

During fourth quarter of 2019, both Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) realization indicated positive trend. The DDI is recorded Rp 103.0 trillion or increased to 18.5% compared to the same period in 2018. Meanwhile, FDI is recorded Rp 105.3 trillion or increased 6.4% compared to the same period in 2018.

“The positive trend of investment realization growth within 2019 indicates that BKPM has strong commitment to execute the 6 Key Performance Indicators assigned by the President of Republic Indonesia, such as accelerating the large investment projects through improvement of Ease of Doing Business (EoDB); encouraging partnership between large investor companies with local-owned companies; distributing large-quality investment with the implementation focused on investment promotion on targeted sectors and countries; and promoting DDI realization”, said Bahlil Lahadalia on the press conference held at BKPM Office, Jakarta (29/1/2020).

Within the fourth quarter of 2019, investment realization in Java reached Rp 104.5 trillion or increase to 3.2% compared to the same period in 2018 (Rp 101.2 trillion). Meanwhile, investment realization in out of Java achieved Rp 103.8 trillion or increased to 22.6% compared to the same period in 2018 (Rp 84.7 trillion). Based on project location, the top 5 investment location are: West Java (Rp 35.4 trillion, 17.0%); Special Territory of Jakarta (Rp 28.3 trillion, 13.6%); Banten (Rp 15.0 trillion, 7.2%); Central Sulawesi (Rp 13.0 trillion, 6.2%); and Central Java (Rp 12.3 trillion, 5.9%).

“Significant improvement of investment realization in out of Java is the result of the government’s efforts which are not only focus on promoting new investment but also escorting and facilitating existing investment, including projects located in out of Java”, said Bahlil Lahadalia.

Top 5 leading countries with largest FDI realization in fourth quarter of 2019 are: China (US$ 1.4 billion, 20.4%); Hong Kong (US$ 1.1 billion, 16.3%); Singapore (US$ 1.1
Based on investment sector, the top 5 investment realization (FDI & DDI) in fourth quarter of 2019 are: Electricity, Gas, and Water Supply (Rp 30.0 trillion, 14.4%); Transportation, Warehouse, and Telecommunication (Rp 27.9 trillion, 13.4%); Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (Rp 24.0 trillion, 11.5%); Housing, Industrial Estate, and Office Building (Rp 23.7 trillion, 11.4%); and Mining (Rp 14.8 trillion, 7.1%).

Cumulatively, investment realization in the period of January-December 2019 achieved Rp 809.6 trillion or reached 102.2% to the target of 2019 investment realization of Rp 792.0 trillion. The total investment realization value in this period involves the realization of DDI and FDI which value of Rp 386.5 trillion (47.7%) and Rp 423.1 trillion (52.3%). Based on investment location, investment realization in Java reached Rp 434.6 trillion (53.7%). Meanwhile the investment realization in out of Java accomplished of Rp 375.0 trillion (46.3%).

The top 5 investment location of total investment realization (DDI & FDI) in the period of January-December 2019 are West Java (Rp 137.5 trillion, 17.0%), Special Territory of Jakarta (Rp 123.9 trillion, 15.3%), Central Java (Rp 59.5 trillion, 7.3%), East Java (Rp 58.5 trillion, 7.2%), and Banten (Rp 48.7 trillion, 6.0%).

*Bahlil Lahadalia emphasizes that “BKPM will continuously focus on accelerating the investment realization and overcoming any obstacles faced to investment projects, such as business licensing process, land procurement/clearing, or sectoral/regional regulation. One of BKPM’s concrete action is to facilitate the stalled investment projects as a strategy to accomplish investment realization target of Rp 886.0 trillion in 2020.*

The top 5 leading countries for FDI realization within the period of January-December 2019 are: Singapore (US$ 6.5 billion, 23.1%); China (US$ 4.7 billion, 16.8%); Japan (US$ 4.3 billion, 15.3%); Hong Kong (US$ 2.9 billion, 10.2%) and Netherlands (US$ 2.6 billion, 9.2%).

Based on business sector, the top 5 of investment realization (DDI & FDI) in the period of January-December 2019 involves: Transportation, Warehouse, and Telecommunication (Rp 139.0 trillion, 17.2%); Electricity, Gas, and Water Supply (Rp 126.0 trillion, 15.6%); Housing, Industrial Estate, and Office Building (Rp 71.1 trillion, 8.8%), Metal, Metal Based Goods, Non-Machinery and Equipment Industry (Rp 61.6 trillion, 7.6%), and Mining (Rp 59.5 trillion, 7.4%).
Progress of Investment Realization from 2014 – 2019: By Quarterly

For further information, please contact:

Farah Ratnadewi Indriani
Acting Deputy Chairman of Investment Monitoring and Implementation
Jl. Jend. Gatot Subroto 44, Jakarta 12190, Indonesia
Phone: 021-5252008 ext.7001
Handphone: 0811914410
Email: farah@bkpm.go.id
Appendix

Investment Realization Data of The Domestic and Foreign Direct Investment in Q4-2019

Domestic Direct Investment (DDI) realization in Q4-2019 increased by 18.5% compared to the same period in 2018, from Rp 86.9 trillion to Rp 103.0 trillion.

Foreign Direct Investment (FDI) realization in Q4-2019 increased by 6.4% compared to the same period in 2018, from Rp 99.0 trillion to Rp 105.3 trillion.

The highlights of the total investment realization (DDI and FDI) in Q4-2019 are summarized as follows:

1. Domestic Direct Investment (DDI) Realization

   Domestic Direct Investment realization based on top 5 leading sectors are: Transportation, Warehouse, and Telecommunication (Rp 23.5 trillion); Housing, Industrial Estate, and Office Building (Rp 14.2 trillion); Food Industry (Rp 10.2 trillion); Food Crops, Plantation, and Livestock (Rp 10.0 trillion); and Construction (Rp 8.1 trillion). In combination, industrial sector contributes up to Rp 19.8 trillion or equivalent to 19.3% of the total DDI realization.

   The preferred location of Domestic Direct Investment realization are: Special Territory of Jakarta (Rp 20.5 trillion); West Java (Rp 13.6 trillion); Banten (Rp 8.2 trillion); East Java (Rp 7.7 trillion); and South Sumatera (Rp 5.8 trillion).

2. Foreign Direct Investment (FDI) Realization

   Foreign Direct Investment realization based on top 5 leading sectors are: Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 1.5 billion); Electricity, Gas, and Water Supply (US$ 1.5 billion); Mining (US$ 0.7 billion); Housing, Industrial Estate, and Office Building (US$ 0.6 billion); and Chemical and Pharmaceutical Industry (US$ 0.5 billion). When all is combined, industrial sector provides US$ 3.2 billion or equivalent to 46.3% of the total FDI realization.

   The preferred location of Foreign Direct Investment realization are: West Java (US$ 1.4 billion); Central Sulawesi (US$ 0.8 billion); Central Java (US$ 0.6 billion); Special Territory of Jakarta (US$ 0.5 billion); and South East Sulawesi (US$ 0.5 billion).

   Top 5 countries of Foreign Direct Investment realization are: China (US$ 1.4 billion); Hong Kong (US$ 1.1 billion); Singapore (US$ 1.1 billion); Japan (US$ 1.1 billion); and Netherlands (US$ 0.5 billion).

3. Distribution of Project Location
In Q4-2019, investment realization within Java clinch Rp 104.5 trillion, while investment realization out of Java reached Rp 103.8 trillion.

4. Indonesian Labor Absorption
   In Q4-2019, the investment realization absorbed 330,539 labors involves 171,629 labors from DDI projects and 158,910 labors from FDI projects.

The Cumulative Investment Realization from January-December 2019:

1. Domestic Direct Investment (DDI) Realization
   Domestic Direct Investment realization based on top 5 leading sectors are: Transportation, Warehouse, and Telecommunication (Rp 68.1 trillion); Construction (Rp 55.1 trillion); Food Crops, Plantation, and Livestock (Rp 43.6 trillion); Electricity, Gas, and Water Supply (Rp 37.2 trillion); and Food Industry (Rp 36.6 trillion). When all is combined, industrial sector contributes Rp 72.7 trillion or equivalent to 18.8% of the total DDI realization.
   The preferred location of Domestic Direct Investment realization are: Special Territory of Jakarta (Rp 62.1 trillion); West Java (Rp 49.3 trillion); East Java (Rp 45.5 trillion); Riau (Rp 26.3 trillion); and East Kalimantan (Rp 22.0 trillion).

2. Foreign Direct Investment (FDI) Realization
   Foreign Direct Investment realization based on top 5 leading sectors are: Electricity, Gas, and Water Supply (US$ 5.9 billion); Transportation, Warehouse, and Telecommunication (US$ 4.7 billion); Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 3.6 billion); Housing, Industrial Estate, and Office Building (US$ 2.9 billion); and Mining (US$ 2.3 billion). When all is combined, industrial sector contributes US$ 9.6 billion or equivalent to 33.9% of the total FDI realization.
   The preferred location of Foreign Direct Investment realization are: West Java (US$ 5.9 billion); Special Territory of Jakarta (US$ 4.1 billion); Central Java (US$ 2.7 billion); Banten (US$ 1.9 billion); and Central Sulawesi (US$ 1.8 billion).
   Top 5 ranks of Foreign Direct Investment realization countries are: Singapore (US$ 6.5 billion); China (US$ 4.7 billion); Japan (US$ 4.3 billion); Hong Kong (US$ 2.9 billion); and Netherlands (US$ 2.6 billion).

3. Distribution of Project Location
   Within January to December 2019, investment realization in Java contributed up to Rp. 434.6 trillion while investment realization in out of Java reached Rp. 375.0
trillion. Compared with the same period of 2018, investment realization in Java increased by 7.2% while for in out of Java has improved by 18.7%.

4. Indonesian Labor Absorption

Within January to December 2019, the total investment realization (DDI & FDI) absorbed 1,033,835 labors, involves from 520,171 labors of DDI and 513,664 labors of FDI.

5. The investment realization based on regions in the period of January-December 2019, can be figured as follows:
   a. The investment realization in Sumatera value to Rp 154.3 trillion (19.0%), consists of Rp 90.5 trillion of DDI and US$ 4.3 billion of FDI.
   b. The investment realization in Java value to Rp 434.6 trillion (53.7%), consists of Rp 202.5 trillion of DDI and US$ 15.5 billion of FDI.
   c. The investment realization in Kalimantan value to Rp 84.7 trillion (10.5%), consists of Rp 52.7 trillion of DDI and US$ 2.1 billion of FDI.
   d. The investment realization in Sulawesi value to Rp 76.7 trillion (9.5%), consists of Rp 24.2 trillion of DDI and US$ 3.5 billion of FDI.
   e. The investment realization in Bali and Nusa Tenggara value to Rp 27.0 trillion (3.3%), consists of Rp 14.7 trillion of DDI and US$ 0.8 billion of FDI.
   f. The investment realization in Maluku and Papua value to Rp 32.3 trillion (4.0%), consists of Rp 1.9 trillion of DDI and US$ 2.0 billion of FDI.

Jakarta, 29th January 2020
Acting Deputy Chairman of Investment Monitoring and Implementation
Investment Coordinating Board of Republic of Indonesia (BKPM RI)